

EXHIBIT L

CERTIFIED COPY

UNITED STATES DISTRICT COURT

MIDDLE DISTRICT OF PENNSYLVANIA

JILL BALLARD, REBECCA VARNO,
and MARK POKORNI on behalf of
themselves and the class members
described herein,

Plaintiffs,

Civil No.

vs.

3:18-cv-00121-MEM-MCC

NAVIENT CORPORATION,
NAVIENT SOLUTIONS, INC., and
NAVIENT SOLUTIONS, LLC,

Defendants.

Deposition of JEFFREY A. STINE

June 24, 2022

Misty Klapper, RMR, CRR and Notary Public.
484458



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1 to facilitate the renewal process of an IDR plan,
2 was that a fairly common occurrence?

3 A. I wouldn't say it's neither common
4 nor uncommon. I mean, it's a scenario that
5 happens. There's multiple scenarios that kind of
6 occur throughout the, you know, IDR initial
7 enrollment and reenrollment, recertification.

8 Q. Now, discretionary forbearances can
9 be requested either in writing or orally over the
10 phone; is that right?

11 A. That's correct.

12 Q. And as a general practice, has
13 Navient permitted borrowers who have not
14 defaulted on their loans to enroll in
15 discretionary forbearances based on oral
16 affirmation?

17 A. We have, yes.

18 Q. Would you agree that when a -- I'm
19 sorry -- when a discretionary forbearance is
20 processed over the phone, that usually involves
21 the IDR renewal process? Is that fair to say?

22 A. No, I don't think that's accurate.

23 Q. Is there another scenario that's more
24 common where someone will request a discretionary
25 forbearance over the phone for a different kind

1 of reason?

2 A. They may request it, you know, on its
3 own just to resolve their current outstanding
4 delinquency without going into an IDR plan. They
5 may request it for, you know, other scenarios if
6 they're going to go into a particular deferment
7 enrollment or if they're looking to consolidate
8 their loans. Generally any time they're talking
9 to the customer service agent, you know, if they
10 are trying to attempt to resolve their
11 delinquency, that -- that could be a solution.

12 Q. Okay. But based on the scenario you
13 were generally describing earlier, is it fair to
14 say that the IDR renewal process is one of the
15 more common reasons a person might request a
16 discretionary forbearance over the phone?

17 A. Yes.

18 Q. When a hardship forbearance -- I'm
19 sorry -- a discretionary forbearance is requested
20 in writing, in your experience, is that also
21 involved with the IBR renewal process or is it
22 less likely that a discretionary forbearance
23 requested in writing has anything to do with the
24 IBR renewal process?

25 A. That could occur. Generally if it's

1 people's loans balances don't increase while
2 their loan servicer is doing routine paper
3 processing; is that your understanding?

4 A. Yes. So the loan balances do not
5 increase so the customer does not, you know,
6 incur additional delinquency during that time
7 period as well.

8 Q. Now, the 60-day administrative
9 forbearance is also different from a
10 discretionary forbearance because the 60-day
11 administrative forbearance does not need to be
12 specifically requested by the borrower. It
13 should be applied automatically, correct?

14 A. It does not need to be requested
15 specifically by the customer, no.

16 Q. And I'm guessing there would be no
17 need to enroll a borrower in a discretionary
18 forbearance during the same period when they're
19 enrolled in a 60-day administrative forbearance;
20 is that right?

21 A. That is correct.

22 Q. If that happened, that would cancel
23 out the benefit of the administrative
24 forbearance, correct?

25 A. Well, you cannot have, you know, two

1 removed.

2 Q. Do you know why that would have
3 happened?

4 A. I'm not sure exactly why that would
5 have happened, other than the discussion with the
6 customer as to the period of time to be covered
7 by that forbearance.

8 Q. Now, the 60-day administrative
9 forbearance was applied in this situation because
10 she was in the process of trying to apply for a
11 change in repayment plan, correct?

12 A. Correct.

13 Q. So that administrative forbearance
14 probably should have stayed in place.

15 Would you agree?

16 A. Yeah, it means she was still
17 intending to submit that documentation.

18 Q. We talked earlier about whether these
19 verbal forbearances would ever overlap with an
20 administrative forbearance and I know you've
21 testified that that's not typically the case.

22 I mean, considering that it seems to
23 have happened here to some degree, have you ever
24 seen this situation before or is this the first
25 time you've seen this?

1 A. Yeah. And one thing I would like to
2 correct as well is a previous statement I made
3 with regards to policies and procedures
4 associated with the customer submitting one
5 paystub.

6 And so I incorrectly stated that we
7 would have required or that we should have
8 required two consecutive paystubs. That would
9 only be necessary in the case where we could not
10 determine the frequency of the pay.

11 But in that case, when you do look
12 closely at the paystub, there is a pay period
13 listed on the paystub. And so that paystub would
14 have been sufficient for us to determine that
15 there would have been 26 pay periods in a year
16 and determine what a monthly income would have
17 been.

18 Q. Okay. So does that mean that looks
19 like another -- a processing error, that that --
20 based on the fact that the pay frequency was
21 indicated on the paystub, that should have been
22 accepted?

23 A. Correct.

24 Q. And, Mr. Stine, I actually -- because
25 now we're talking about a paystub that we spoke

1 about before we took lunch. So it might be
2 easier to just -- and thank you for correcting
3 the record. I do appreciate you doing that.

4 Would that have been -- that would
5 have been the first paystub that we looked at
6 during today's -- this might be the easiest way,
7 without having to go back.

8 A. Yeah.

9 Q. What you're referring to is the first
10 paystub that she submitted of her husband's
11 income; is that right?

12 A. That's correct.

13 Q. Okay. Then we don't have to go back.

14 MR. FIORENTINO: Can you display
15 that page again, Cassandra?

16 BY MR. FIORENTINO:

17 Q. And while we're waiting for that,
18 Mr. Stine, I just want to clarify. The way that
19 you document pay frequency for the
20 income-sensitive repayment plan, it's basically
21 the same way that you would document it for the
22 income-based repayment plan generally?

23 A. Generally, yes. The calculation on
24 income-sensitive is done on a monthly basis. The
25 calculation for the income-driven repayment plans

1 is a little bit differently and usually based on
2 annual salary. But generally, yes.

3 Q. Okay. So we're now on --

4 MR. FIORENTINO: Do we need to
5 label this one, Cassandra, or are we still
6 on the same document?

7 MS. MILLER: Is this -- if you're
8 still on 186 -- what page number?

9 MR. FIORENTINO: Yeah, still on
10 1864.

11 MS. MILLER: Okay. So then this is
12 part of Number 26 that was previously
13 marked.

14 BY MR. FIORENTINO:

15 Q. Okay. So this is a letter Navient
16 sent to Varno on March 25, 2015. And this seems
17 to inform her that her income documentation was
18 not acceptable because the borrower has to
19 provide two consecutive paystubs.

20 Now, I think you were just explaining
21 that's only if the paystub on its face does not
22 indicate the pay frequency; is that right?

23 A. Correct.

24 Q. Okay. Do you -- do you feel that the
25 use of this letter in this instance was

1 inappropriate or maybe misapplied, given the
2 nature of the income documentation she submitted?

3 A. Yes, I would agree.

4 MR. FIORENTINO: All right. Let's
5 go to -- let's go to NSL_VARNO_0002304.

6 MS. MILLER: And this is part of
7 the previously marked Exhibit Number 25.

8 BY MR. FIORENTINO:

9 Q. So here there's an entry in the
10 account history dated April 6, 2015. Can you
11 just explain that entry, Mr. Stine?

12 There are actually a few. One of
13 them says, IBR submitted. Awaiting documentation
14 review.

15 Could you start with that one?

16 A. Sure. So looking at that in the
17 entry, it would appear that -- there's nothing
18 that you have before that in addition to the
19 4-6 -- any other 4-6-15 entries associated? I
20 don't know if you have that.

21 MR. FIORENTINO: Thank you,
22 Cassandra.

23 THE WITNESS: Okay. Yeah, that's
24 fine. So nothing -- nothing else. You
25 can scroll forward.

1 document, I recall that the previous verbal
2 forbearance was ending on 3-18. It is now 4-13.
3 So they're processing this forbearance at that
4 time.

5 Q. And this is basically to allow for
6 more time for her to gather and submit this
7 documentation to enroll in the repayment plan?

8 A. Yeah, without -- my recollection is
9 she had not been making any payments. And so on
10 4-13 she would have been delinquent for her
11 March -- or for her -- she would be coming due
12 for her 4-18 payment.

13 Q. Now, if the -- if the 60-day
14 administrative forbearance that was put in place
15 on March 11, 2015, if that had remained in
16 effect, she would not have been delinquent at
17 all, right?

18 A. That's correct.

19 Q. So it looks like this verbal
20 forbearance, she really didn't need that, right,
21 if the 60-day administrative forbearance had been
22 used?

23 A. The issue would have been that she
24 submitted the documentation -- yeah, if we apply
25 the administrative 60-day forbearance, the verbal

1 forbearance would not have been necessary.

2 Q. Okay. So given that this forbearance
3 here wasn't unnecessary, is it your understanding
4 that this might have caused her to incur
5 additional charges that were unnecessary?

6 A. She would have incurred capitalized
7 interest at the expiration of this forbearance.

8 MR. FIORENTINO: Let's go to
9 NSL_VARNO_0001869.

10 BY MR. FIORENTINO:

11 Q. And while this is coming up,
12 Mr. Stine, I think you touched on this earlier,
13 but this whole issue of being enrolled in a
14 verbal forbearance when you're supposed to be in
15 a 60-day administrative forbearance, is this
16 still the first time you've ever seen this
17 situation or is this something you've ever seen
18 on a different account?

19 A. No, I don't recall seeing this on any
20 other account.

21 Q. Okay.

22 MR. FIORENTINO: Is this a new
23 exhibit, Cassandra?

24 MS. MILLER: Yes. So this is going
25 to be Exhibit Number 27, which will

1 A. That's correct.

2 Q. And the letter -- it also states that
3 he's going to be paid on a semi-monthly basis.

4 Do you see where it says that?

5 A. Yes.

6 Q. So the letter of hire indicates the
7 frequency of pay, correct?

8 A. Correct.

9 MR. FIORENTINO: Let's go to
10 NSL_VARNO_0002313.

11 MS. MILLER: This will be a page in
12 Exhibit Number 30, which was previously
13 marked.

14 BY MR. FIORENTINO:

15 Q. So this is another page from the
16 account records. On May 26, 2016 there's an
17 entry where -- I think there's a typo. I think
18 it means to says spouse. It looks like it says
19 spouse. But I think it says, Spouse send in offer
20 letter not accepted, POI.

21 Do you see where it says that?

22 A. The date that entry was made again?
23 I'm sorry.

24 Q. It would be May 26, 2016.

25 MS. SIMONETTI: We don't have May

1 up here. You have to move it down a
2 little bit.

3 THE WITNESS: Yeah, I'm looking at
4 April.

5 MR. FIORENTINO: We should be on
6 2313.

7 MS. MILLER: Sorry about that.

8 MS. SIMONETTI: It's okay.

9 MS. MILLER: There. That should be
10 the right page.

11 MR. FIORENTINO: Okay.

12 BY MR. FIORENTINO:

13 Q. So it's toward the middle of the
14 page, Mr. Stine. It says spouse. I believe it's
15 supposed to say spouse, but it says, Spouse send
16 in offer letter not accepted, proof of income.

17 Do you see where it says that?

18 A. Yes.

19 Q. Can you explain that entry?

20 A. It looks like they are not accepting
21 the offer letter as proof of income. POI is an
22 acronym there used.

23 Q. Do you know why they might have
24 rejected it?

25 A. I do not.

1 Q. In your own estimation, do you think
2 it should have been accepted?

3 A. I do.

4 Q. Okay.

5 MR. FIORENTINO: Let's go down
6 to -- actually, let's just go to Varno
7 0002389. No, I'm sorry. Let's skip that.
8 I'm going to just try to skip ahead as
9 much as I can. I'm just trying to see
10 what I can skip in the interest of time,
11 so just give me one second.

12 Let's go ahead to
13 NSL_VARNO_0002314.

14 MS. MILLER: This is also part of
15 Exhibit Number 30. And this is page 2314.

16 BY MR. FIORENTINO:

17 Q. So there's an entry in the account
18 history dated June 15, which states, IBR
19 submitted, awaiting documentation review.

20 Do you see that? It's the very top
21 entry.

22 A. Yes, I see that.

23 Q. And, Mr. Stine, I just want to
24 clarify for the record, I skipped a bunch of
25 documents just in the interest of time, but just

1 financial hardship. Borrower agreed to terms
2 orally.

3 Q. So do you know why this 60-day
4 administrative forbearance was removed?

5 A. So in this case the forbearance was
6 applied incorrectly. That was an incorrect
7 status to use.

8 Q. Okay. But we had discussed earlier
9 that at this point she's applying to switch her
10 repayment plan from the income-sensitive plan to
11 the income-based repayment plan.

12 And it's my understanding that
13 whenever you're switching repayment plans, you're
14 entitled to that 60-day administrative
15 forbearance. So I'm just wondering, why was it
16 not appropriate here?

17 A. Well, what we're referring to right
18 in this particular instance is the prior
19 delinquency that occurred. So we don't use the
20 60-day administrative forbearance to resolve
21 prior delinquencies.

22 Q. Okay. But -- so if on -- on June 22,
23 2016, it was clear by then that she was switching
24 repayment plans, correct?

25 A. Yeah, the prior -- yeah, we had the

1 But if they select recertification,
2 the new payment plan would take effect once the
3 current plan ends.

4 Q. So it's just a different box to check
5 on the application?

6 A. Correct. I believe it's the first
7 question on the application, yep.

8 Q. And then I'm looking at May 22, 2017.
9 It looks like there was another verbal
10 forbearance.

11 Do you see that?

12 A. Yeah. I believe they were able to
13 explain to the customer they still had these
14 remaining payments under the current plan. The
15 customer is not able to afford that payment
16 amount, so they went ahead and processed a verbal
17 forbearance for the remaining -- remaining terms.

18 Q. If she had done a recalculation at
19 that point, would that have triggered an interest
20 capitalization?

21 A. No.

22 Q. Okay. Because it looks like this was
23 kind of an expensive way to handle this. If she
24 had said I want a recalculation, they would have
25 gone to zero dollar payments effective